



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE
PHP FAMILYCARE

NAIC Group Code 3408, 3408 NAIC Company Code 11537 Employer's ID Number 36-4497604
(Current Period) (Prior Period)

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile US

Licensed as business type:

Life, Accident and Health [] Property/Casualty [] Hospital, Medical and Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Other []
Health Maintenance Organization [X] Is HMO Federally Qualified? Yes () No (X)

Incorporated/Organized May 23, 2002 Commenced Business January 1, 2003

Statutory Home Office 1400 East Michigan Avenue, Lansing, Michigan, US 48912
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 1400 East Michigan Avenue, Lansing, Michigan, US 48912 517-364-8400
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1400 East Michigan Avenue, Lansing, Michigan, US 48912
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1400 East Michigan Avenue, Lansing, Michigan, US 48912
(Street and Number, City or Town, State, Country and Zip Code)
517-364-8400
(Area Code) (Telephone Number)

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Statutory Statement Contact Kevin Essenmacher 517-364-8400
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OFFICERS

Scott Wilkerson (President & Secretary)
MaryLee Davis, PhD (Chairperson)
Dennis Reese# (Treasurer)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

MaryLee Davis, PhD
Scott Wilkerson
Gwen Hall

State of Michigan }
County of Ingham } SS

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Scott Wilkerson MaryLee Davis, PhD Dennis Reese#
President & Secretary Chairperson Treasurer

Subscribed and sworn to before me this day of
a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	4 Net Admitted Assets
1. Bonds (Schedule D)				
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	5,195,518		5,195,518	4,575,233
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ (885,226) , Schedule E - Part 1) , cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 8,179,002 ,Schedule DA)	7,293,777		7,293,777	9,012,967
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	12,489,295		12,489,295	13,588,200
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	83		83	78
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	208,636		208,636	18,688
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	62,770		62,770	
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				42
24. Health care (\$ 546,812) and other amounts receivable	1,245,339	547,660	697,679	399,836
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	14,006,123	547,660	13,458,463	14,006,844
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	14,006,123	547,660	13,458,463	14,006,844
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ reinsurance ceded)	3,268,225		3,268,225	3,825,404
2. Accrued medical incentive pool and bonus amounts	444,720		444,720	308,913
3. Unpaid claims adjustment expenses	59,074		59,074	69,785
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				323,872
9. General expenses due or accrued	2,412,722		2,412,722	2,200,850
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates	1,016,174		1,016,174	724,163
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$ current)				
24. Total liabilities (Line 1 to Line 23)	7,200,915		7,200,915	7,452,987
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	6,257,548	6,553,857
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	X X X	X X X		
32.2 shares preferred (value included in Line 27 \$)	X X X	X X X		
33. Total capital and surplus (Line 25 to Line 31 minus Line 32)	X X X	X X X	6,257,548	6,553,857
34. Total liabilities, capital and surplus (Line 24 and Line 33)	X X X	X X X	13,458,463	14,006,844
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)				
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	215,907	220,559
2. Net premium income (including \$ non-health premium income)	X X X	52,953,117	54,714,400
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Line 2 to Line 7)	X X X	52,953,117	54,714,400
Hospital and Medical:			
9. Hospital/medical benefits		32,197,338	33,525,413
10. Other professional services		2,641,978	2,123,572
11. Outside referrals			
12. Emergency room and out-of-area		4,563,614	4,440,397
13. Prescription drugs		7,262,538	6,439,736
14. Aggregate write-ins for other hospital and medical		459,661	228,572
15. Incentive pool, withhold adjustments, and bonus amounts		446,181	307,837
16. Subtotal (Line 9 to Line 15)		47,571,310	47,065,527
Less:			
17. Net reinsurance recoveries		62,770	
18. Total hospital and medical (Line 16 minus Line 17)		47,508,540	47,065,527
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 820,232 cost containment expenses		1,195,673	1,236,147
21. General administrative expenses		4,915,714	7,376,007
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Line 18 through Line 22)		53,619,927	55,677,681
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	(666,810)	(963,281)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		128,237	178,612
26. Net realized capital gains (losses) less capital gains tax of \$		20,912	310,163
27. Net investment gains (losses) (Line 25 plus Line 26)		149,149	488,775
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	X X X	(517,661)	(474,506)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Line 30 minus Line 31)	X X X	(517,661)	(474,506)
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X		
1401. Other Medical		459,661	228,572
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		459,661	228,572
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year	6,553,857	6,576,443
34. Net income or (loss) from Line 32	(517,661)	(474,506)
35. Change in valuation basis of aggregate policy and claims reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	459,175	(102,820)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(237,823)	(245,260)
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Tranferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus		800,000
48. Net change in capital and surplus (Line 34 to Line 47)	(296,309)	(22,586)
49. Capital and surplus end of reporting year (Line 33 plus Line 48)	6,257,548	6,553,857
DETAILS OF WRITE-INS		
4701. Additional capital provided by parent company		800,000
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)		800,000

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	52,439,299	54,749,683
2. Net investment income	128,232	178,678
3. Miscellaneous income	(118,369)	120,084
4. Total (Line 1 through Line 3)	52,449,162	55,048,445
5. Benefit and loss related payments	48,409,980	46,879,799
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	5,910,226	7,812,304
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	54,320,206	54,692,103
11. Net cash from operations (Line 4 minus Line 10)	(1,871,044)	356,342
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks	221,982	4,076,066
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	221,982	4,076,066
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks	362,181	3,353,334
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		18,012
13.7 Total investments acquired (Line 13.1 through Line 13.6)	362,181	3,371,346
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(140,199)	704,720
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	292,053	549,284
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	292,053	549,284
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(1,719,190)	1,610,346
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	9,012,967	7,402,621
19.2 End of year (Line 18 plus Line 19.1)	7,293,777	9,012,967
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	52,953,117							52,953,117		
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$ medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues										XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Line 1 through Line 6)	52,953,117							XXX		
8. Hospital/medical benefits	32,197,338							52,953,117		XXX
9. Other professional services	2,641,978							32,197,338		XXX
10. Outside referrals								2,641,978		XXX
11. Emergency room and out-of-area	4,563,614							4,563,614		XXX
12. Prescription drugs	7,262,538							7,262,538		XXX
13. Aggregate write-ins for other hospital and medical	459,661							459,661		XXX
14. Incentive pool, withhold adjustments, and bonus amounts	446,181							446,181		XXX
15. Subtotal (Line 8 through Line 14)	47,571,310							47,571,310		XXX
16. Net reinsurance recoveries	62,770							62,770		XXX
17. Total hospital and medical (Line 15 minus Line 16)	47,508,540							47,508,540		XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 820,232 cost containment expenses	1,195,673							1,195,673		
20. General administrative expenses	4,915,714							4,915,714		
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Line 17 through Line 22)	53,619,927							53,619,927		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(666,810)							(666,810)		
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)										XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. Other Medical	459,661							459,661		XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. Total (Line 1301 through Line 1303 plus Line 1398) (Line 13 above)	459,661							459,661		XXX

UNDERWRITING AND INVESTMENT EXHIBIT

Part 1 - Premiums

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Column 1 plus Column 2 minus Column 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	53,054,663		101,547	52,953,116
8. Other health				
9. Health subtotal (Line 1 through Line 8)	53,054,663		101,547	52,953,116
10. Life				
11. Property/casualty				
12. Totals (Line 9 to Line 11)	53,054,663		101,547	52,953,116

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	48,725,214							48,725,214		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	48,725,214							48,725,214		
2. Paid medical incentive pools and bonuses	299,170							299,170		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	3,268,225							3,268,225		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	3,268,225							3,268,225		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	444,720							444,720		
6. Net healthcare receivables (a)	1,042,905							1,042,905		
7. Amounts recoverable from reinsurers December 31, current year	62,770							62,770		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	3,825,404							3,825,404		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	3,825,404							3,825,404		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	308,913							308,913		
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	47,125,130							47,125,130		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	62,770							62,770		
12.4 Net	47,062,360							47,062,360		
13. Incurred medical incentive pools and bonuses	434,977							434,977		

(a) Excludes \$ loans or advances to providers not yet expensed

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct										
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net										
2. Incurred but Unreported:										
2.1 Direct	3,268,225							3,268,225		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	3,268,225							3,268,225		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS:										
4.1 Direct	3,268,225							3,268,225		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	3,268,225							3,268,225		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Column 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental Only						
4. Vision Only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	2,582,029	46,143,185	(8,775)	3,277,000	2,573,254	3,825,404
8. Other health						
9. Health subtotal (Line 1 through Line 8)	2,582,029	46,143,185	(8,775)	3,277,000	2,573,254	3,825,404
10. Healthcare receivables (a)	42,095	1,052,377			42,095	
11. Other non-health						
12. Medical incentive pools and bonus amounts	299,170		9,399	435,320	308,569	308,913
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12)	2,839,104	45,090,808	624	3,712,320	2,839,728	4,134,317

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital and Medical)

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Comprehensive (Hospital and Medical)

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital and Medical)

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefit Plan

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Federal Employees Health Benefit Plan

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefit Plan

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII Medicare

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	36,769	39,767	39,687	39,671	39,671
3. 2009	X X X	42,359	44,527	44,604	44,610
4. 2010	X X X	X X X	45,848	49,120	49,113
5. 2011	X X X	X X X	X X X	46,734	49,606
6. 2012	X X X	X X X	X X X	X X X	49,024

Section B - Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	40,839	40,951	40,964	40,964	40,964
3. 2009	X X X	46,977	49,644	49,657	49,662
4. 2010	X X X	X X X	49,288	52,631	52,619
5. 2011	X X X	X X X	X X X	50,868	53,747
6. 2012	X X X	X X X	X X X	X X X	52,737

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX Medicaid

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008	46,314	39,671	1,001	2.523	40,672	87.818			40,672	87.818
2. 2009	54,254	44,610	1,103	2.473	45,713	84.257			45,713	84.257
3. 2010	54,933	49,113	1,250	2.545	50,363	91.681			50,363	91.681
4. 2011	54,814	49,606	1,229	2.478	50,835	92.741	1		50,836	92.743
5. 2012	53,055	49,024	1,206	2.460	50,230	94.675	3,712	59	54,001	101.783

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability , Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	X X X				
4. 2010	X X X	X X X			
5. 2011	X X X	X X X	X X X		
6. 2012	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008										
2. 2009										
3. 2010										
4. 2011										
5. 2012										

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	36,769	39,767	39,687	39,671	39,671
3. 2009	X X X	42,359	44,527	44,604	44,610
4. 2010	X X X	X X X	45,848	49,120	49,113
5. 2011	X X X	X X X	X X X	46,734	49,606
6. 2012	X X X	X X X	X X X	X X X	49,024

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	40,839	40,951	40,964	40,964	40,964
3. 2009	X X X	46,977	49,644	49,657	49,662
4. 2010	X X X	X X X	49,288	52,631	52,619
5. 2011	X X X	X X X	X X X	50,868	53,747
6. 2012	X X X	X X X	X X X	X X X	52,737

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008	46,314	39,671	1,001	2.523	40,672	87.818			40,672	87.818
2. 2009	54,254	44,610	1,103	2.473	45,713	84.257			45,713	84.257
3. 2010	54,933	49,113	1,250	2.545	50,363	91.681			50,363	91.681
4. 2011	54,814	49,606	1,229	2.478	50,835	92.741	1		50,836	92.743
5. 2012	53,055	49,024	1,206	2.460	50,230	94.675	3,712	59	54,001	101.783

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Underwriting and Investment Exhibit, Part 2D

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ for occupancy of own building)	38,735	17,730	175,902		232,367
2. Salaries, wages and other benefits	307,341	140,678	1,395,680		1,843,699
3. Commissions (less \$ ceded plus \$ assumed)					
4. Legal fees and expenses	5,303	2,427	24,083		31,813
5. Certifications and accreditation fees	1,190	545	5,402		7,137
6. Auditing, actuarial and other consulting services	36,541	16,726	165,939		219,206
7. Traveling expenses	1,725	790	7,835		10,350
8. Marketing and advertising	51,176	23,425	232,398		306,999
9. Postage, express, and telephone	8,937	4,091	40,585		53,613
10. Printing and office supplies	29,839	13,658	135,505		179,002
11. Occupancy, depreciation and amortization	939	430	4,263		5,632
12. Equipment	757	346	3,437		4,540
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services	275,494	126,101	1,251,059		1,652,654
15. Boards, bureaus and association fees	776	355	3,525		4,656
16. Insurance, except on real estate	3,384	1,549	15,366		20,299
17. Collection and bank service charges	4,827	2,209	21,920		28,956
18. Group service and administration fees	25,639	11,735	116,429		153,803
19. Reimbursements by uninsured accident and health plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			1,190,922		1,190,922
23.2 State premium taxes					
23.3 Regulator authority licenses and fees	6,083	2,784	27,625		36,492
23.4 Payroll taxes	17,282	7,910	78,481		103,673
23.5 Other (excluding federal income and real estate taxes)	2,392	1,095	10,864		14,351
24. Investment expenses not included elsewhere				16,754	16,754
25. Aggregate write-ins for expenses	1,872	857	8,494		11,223
26. Total expenses incurred (Line 1 to Line 25)	820,232	375,441	4,915,714	16,754	(a) 6,128,141
27. Less expenses unpaid December 31, current year	40,525	18,549	2,412,723		2,471,797
28. Add expenses unpaid December 31, prior year	47,869	21,916	2,200,850		2,270,635
29. Amounts receivable relating to uninsured accident and health plans, prior year					
30. Amounts receivable relating to uninsured accident and health plans, current year					
31. Total expenses paid (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30)	827,576	378,808	4,703,841	16,754	5,926,979
DETAILS OF WRITE-INS					
2501. OTHER	1,872	857	8,494		11,223
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	1,872	857	8,494		11,223

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a)	
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	143,711	143,711
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,275	1,280
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	144,986	144,991
11. Investment expenses		(g) 16,754
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Line 11 through Line 15)		16,754
17. Net investment income (Line 10 minus Line 16)		128,237
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Col. 1 + Col. 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds					
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	20,912		20,912	459,175	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	20,912		20,912	459,175	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	547,660	309,837	(237,823)
25. Aggregate write-ins for other than invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	547,660	309,837	(237,823)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	547,660	309,837	(237,823)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	18,147	18,037	17,914	17,948	17,981	215,907
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total	18,147	18,037	17,914	17,948	17,981	215,907
DETAILS OF WRITE-INS						
0601.....						
0602.....						
0603.....						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)						

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The financial statements of PHP FamilyCare (PHP FC) are presented on the basis of accounting practices prescribed or permitted by the Michigan Office of Financial & Insurance Regulation (OFIR).

OFIR recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

A reconciliation of PHP FC's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

Description	December 31, 2012	December 31, 2011
(1) Net Income, Michigan	\$ (517,662)	\$ (474,506)
(2) State Prescribed Practices: None	-	-
(3) State Prescribed Practices: None	-	-
(4) Net Income, NAIC SAP	\$ (517,662)	\$ (474,506)

Description	December 31, 2012	December 31, 2011
(5) Statutory Capital & Surplus, Michigan	\$ 6,257,547	\$ 6,553,857
(6) State Prescribed Practices: None	-	-
(7) State Prescribed Practices: None	-	-
(8) Statutory Capital & Surplus, NAIC SAP	\$ 6,257,547	\$ 6,553,857

B. Use of Estimates

In preparing the financial statements in conformity with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures Manual*, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

1. Short term investments are stated at amortized cost or at market value depending upon the respective investment.
2. Bonds
Not applicable
3. Common stocks are stated at market value.
4. Preferred stocks
Not applicable
5. Mortgage loans
Not applicable
6. Loan-backed securities
Not applicable
7. Investments in subsidiaries, controlled and affiliated companies
Not applicable
8. Investments in joint ventures, partnerships and limited liability companies
Not applicable

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

NOTES TO FINANCIAL STATEMENTS

- 9. Derivatives

 Not applicable
- 10. Premium deficiency reserves

 Not applicable
- 11. Estimating the liabilities for losses and loss/claim adjustment expenses: Estimates on unpaid losses are based upon the plan’s past experience, individual case estimates and an estimate for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. Loss/claim adjustment expenses related to claims are accrued based on estimates of expenses to process those claims.
- 12. PHP FC has not modified its capitalization from the prior period.
- 13. Pharmaceutical rebate receivable estimates are based upon historical rebate trends, Plan membership and estimates from PHP FC’s pharmacy benefit manager.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not applicable

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable

4. DISCONTINUED OPERATIONS

Not applicable

5. INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans

 Not applicable
- B. Debt Restructuring

 Not applicable
- C. Reverse Mortgages

 Not applicable
- D. Loan-Backed Securities

 Not applicable
- E. Repurchase Agreements and/or Securities Lending Transactions

 Not applicable
- F. Real Estate

 Not applicable
- G. Low-Income Housing Tax Credit (LIHTC) Investments

 Not applicable

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

NOTES TO FINANCIAL STATEMENTS

7. INVESTMENT INCOME

All investment income due or accrued has been included in the filing.

8. DERIVATIVE INSTRUMENTS

Not applicable

9. INCOME TAXES

PHP FC is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A, B, C, D, E, F, G

PHP FC is solely owned by PHP, an HMO organized under the laws of the state of Michigan, and a controlled entity of Sparrow Health System (“SHS”).

Substantially all administrative services are provided by PHP. PHP FC pays PHP for certain administrative expenses incurred by PHP, which totaled \$5,090,190 in 2012 and \$5,121,347 in 2011.

Effective December 15, 2011, PHP made a capital contribution to PHP FC in the amount of \$800,000.

Amounts due from affiliates are \$0 at both 12/31/2012 and 12/31/2011. Amounts due to affiliates of \$1,016,175 at 12/31/2012, and \$727,163 at 12/31/2011, are related to amounts owed under the management agreements.

H. Amount Deducted for Investments in Upstream Company

Not Applicable

I. Detail of Investment in Affiliates Greater than 10% of Admitted Assets

Not Applicable

J. Writedown for Impairments of Investments in Affiliates

Not Applicable

K. Foreign Subsidiary Valued Using CARVM

Not Applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not Applicable

11. DEBT

Not applicable

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

Not applicable

13. CAPITAL AND SURPLUS, SHAREHOLDERS’ DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

Not applicable

14. CONTINGENCIES

A. Contingent Commitments

Not Applicable

B. Guaranty Funds and Other Assessments

Not Applicable

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

NOTES TO FINANCIAL STATEMENTS

- C. Gain Contingencies
- Not Applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits
- Not Applicable
- E. All Other Contingencies
- Not Applicable

15. LEASES

- A. Lessee Leasing Arrangements
- Not Applicable
- B. Lessor Leases
- Not Applicable

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Not applicable

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

Not applicable

20. FAIR VALUE MEASUREMENTS

- A.
1. Assets Measured at Fair Value on a Recurring Basis:

1	2	3	4	5
Description for Each Class of Asset or Liability	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Mutual Funds	\$ 5,195,518			\$ 5,195,518
Short-Term Investments	8,179,002	-	-	8,179,002
Total Assets at Fair Value	\$ 13,374,520	\$ -	\$ -	\$ 13,374,520

There are no assets or liabilities recorded at fair value on a non-recurring basis as of December 31, 2012 and December 31, 2011.

The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs to the respective valuation technique. The following summarizes the type of assets

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

NOTES TO FINANCIAL STATEMENTS

and liabilities owned by the Company that are included within the three-level fair value hierarchy presented in the table above:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities: This category is generally quotes for debt or equity securities actively traded in exchange or over-the-counter markets.

Level 2 – Significant other observable inputs: The Company has no Level 2 assets or liabilities.

Level 3 – Significant unobservable inputs: The Company has no Level 3 assets or liabilities.

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

The Company has no assets or liabilities measured at fair value in the Level 3 category

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 3 category.

5. Derivative Fair Value

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Reasons Not Practical to Estimate Fair Values

Not applicable

21. OTHER ITEMS

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

Effective August 1, 2011, Physicians Health Plan of Mid-Michigan FamilyCare’s name was changed to PHP FamilyCare.

D. Uncollectible Premiums Receivable

Not applicable

E. Business Interruption Insurance Recoveries

Not applicable

F. State Transferable Tax Credits

Not applicable

G. Subprime Mortgage Related Risk Exposure

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

NOTES TO FINANCIAL STATEMENTS

H. Retained Assets

Not applicable

22. EVENTS SUBSEQUENT

Not applicable

23. REINSURANCE

A. Ceded Reinsurance Report

Section 1 General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (x)

Section 2 Ceded Reinsurance Report Part A.

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credit? Yes () No(x).

(2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsured of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (x).

Section 3 Ceded Reinsurance Report Part B.

(1) What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0.00

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement to include policies or contracts which were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes() No (x).

B. Uncollectible Reinsurance

Not applicable

C. Commutation of Ceded Reinsurance

Not applicable

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE

NOTES TO FINANCIAL STATEMENTS

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

The following table provides a reconciliation of beginning and ending reserves for claims unpaid and unpaid claim adjustment expenses, net of reinsurance recoverables:

	2012	2011
	(in thousands)	
Balance—January 1	\$ 3,895	\$ 3,476
Add provision for claims occurring in:		
Current year	49,237	47,743
Prior year	(979)	250
Net incurred losses during the current year	48,258	47,994
Deduct payments for claims occurring in:		
Current year	45,483	44,638
Prior year	3,343	2,936
Net claim payments during the current year	48,826	47,574
End of year reserve - December 31	\$ 3,327	\$ 3,895

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

27. STRUCTURED SETTLEMENTS

Not applicable

28. HEALTH CARE RECEIVABLES

Healthcare receivables include pharmacy rebates PHP FC receives from third party vendors. These rebates are calculated using estimates based on per claim guarantee calculations, historical rebate trends and membership. Activity for the previous three years is summarized as follows:

A. Pharmacy Rebates (in thousands)

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2012	\$ 51	\$ 51	\$ -	\$ -	\$ -
9/30/2012	51	51	-	-	-
6/30/2012	52	52	-	-	-
3/31/2012	50	50	-	50	-
12/31/2011	52	52	-	36	-
9/30/2011	55	55	56	-	-
6/30/2011	52	52	48	-	-
3/31/2011	41	41	58	-	-
12/31/2010	23	23	45	45	-
9/30/2010	23	23	55	-	45
6/30/2010	23	23	48	-	45
3/31/2010	122	122	73	-	45

C. Risk Share Receivables

None

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

Not applicable

31. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes (X) No ()

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes () No () N/A (X)

1.3

State Regulating?

Michigan

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)

2.2

If yes, date of change:

.....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008

3.2

State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2008

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/08/2010

3.4

By what department or departments?
MICHIGAN OFFICE OF FINANCIAL & INSURANCE REGULATION

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes (X) No () N/A ()

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes (X) No () N/A ()

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes () No (X)

4.12

renewals?

Yes () No (X)

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes () No (X)

4.22

renewals?

Yes () No (X)

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)

5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile for any entity that has ceased to exist as a result of the merger or consolidation.

¹ Name of Entity	² NAIC Company Code	³ State of Domicile
--------------------------------	-----------------------------------	-----------------------------------

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes () No ()

6.2 If yes, give full information:
.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No ()

7.2 If yes, 7.21 State the percentage of foreign control;%

7.22 State the nationality(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

¹ Nationality	² Type of Entity
-----------------------------	--------------------------------

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No ()

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No ()

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

¹ Affiliate Name	² Location (City, State)	³ FRB	⁴ OCC	⁵ FDIC	⁶ SEC
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GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
ERNST & YOUNG, SUITE 1000, ONE KENNEDY SQUARE, 777 WOODWARD AVENUE, DETROIT, MICHIGAN 48226
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule) , or substantially similar state law or regulation?

Yes () No (X)
- 10.2 If the response to 10. 1 is yes , provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes () No (X)
- 10.4 If the response to 10. 3 is yes , provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws?

Yes (X) No () N/A ()
- 10.6 If the response to 10. 5 is no or n/a , please explain:
11. What is the name , address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
MICHAEL G. STURM, BROOKFIELD, WI (MILLIMAN)
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes () No (X)

12. 11 Name of real estate holding company

12. 12 Number of parcels involved

12. 13 Total book/adjusted carrying value

\$
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13. 1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13. 2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located?

Yes () No ()

13. 3 Have there been any changes made to any of the trust indentures during the year?

Yes () No ()

13. 4 If answer to (13. 3) is yes , has the domiciliary or entry state approved the changes?

Yes () No () N/A (X)
- 14.1 Are the senior officers (principal executive officer , principal financial officer , principal accounting officer or controller , or persons performing similar functions) of the reporting entity subject to a code of ethics , which includes the following standards?

Yes (X) No ()

(a) Honest and ethical conduct , including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full , fair , accurate , timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws , rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
- 14.11 If the response to 14. 1 is No , please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes () No (X)
- 14.21 If the response to 14. 2 is Yes , provide information related to amendment (s) .
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)
- 14.31 If the response to 14. 3 is Yes , provide the nature of any waiver (s) .
15. 1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes () No (X)
15. 2 If the response to 15. 1 is yes , indicated the American Bankers Association (ABA) Routing Number and the name of issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
--	--	--	-----------------

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes (X) No ()
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes (X) No ()
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes (X) No ()

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes () No (X)
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11

To directors or other officers

\$

20.12

To stockholders not officers

\$

20.13

Trustees, supreme or grand (Fraternal only)

\$
- 20.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21

To directors or other officers

\$

20.22

To stockholders not officers

\$

20.23

Trustees, supreme or grand (Fraternal only)

\$
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes () No (X)
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Rented from others

\$

21.22

Borrowed from others

\$

21.23

Leased from others

\$

21.24

Other

\$
- 22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes () No (X)
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$

22.22

Amount paid as expenses

\$

22.23

Other amounts paid

\$
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes () No (X)
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01

Were all the stocks , bonds and other securities owned December 31 of current year , over which the reporting entity has exclusive control , in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes (X) No ()

24.02

If no , give full and complete information relating thereto:
.....
.....

24.03

For the security lending programs , provide a description of the program including value for collateral and amount of loaned securities , and whether collateral is carried on or off-balance sheet . (an alternative is to reference Note 17 where this information is also provided)
.....
.....

24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions?

Yes () No () N/A (X)

24.05

If answer to 24.04 is YES , report amount of collateral for conforming programs .

\$

24.06

If answer to 24.04 is NO , report amount of collateral for other programs .

\$

24.07

Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes () No () N/A (X)

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes () No () N/A (X)

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes () No () N/A (X)

24.10

For the reporting entity's security lending program , state the amount of the following as of December 31 of the current year:

24.101

Total fair value of reinvented collateral assets reported on Schedule DL , Parts 1 and 2

\$

24.102

Total book adjusted /carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$

24.103

Total payable for securities lending reported on the liability page

\$

25.1

Were any of the stocks , bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity , or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)

Yes (X) No ()

25.2

If yes , state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Pledged as collateral

\$

25.26

Placed under option agreements

\$

25.27

Letter stock or securities restricted as to sale

\$

25.28

On deposit with state or other regulatory body

\$ 1,152,163

25.29

Other

\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
----------------------------	------------------	-------------

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes () No (X)
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes () No () N/A (X)
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (X)
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ()

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

BNY MELLON ONE MELLON CENTER, PITTSBURGH, PA 15259-0001

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
--------------	------------------	------------------------------

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes () No (X)

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
--------------------	--------------------	---------------------	-------------

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
--	-----------	--------------

N/A SEI 1 FREEDOM DRIVE, OAKS, PA 19456

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes () No ()

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
--	--	---	------------------------

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	\$ 8,179,002	\$ 8,179,002	\$
30.2 Preferred stocks	\$	\$	\$
30.3 Totals	\$ 8,179,002	\$ 8,179,002	\$

30.4 Describe the sources or methods utilized in determining the fair values:
NAIC ACCOUNTING PRACTICES
.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes () No (X)

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes () No ()

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
PRICE PUBLISHED IN THE NAIC VALUATION OF SECURITIES
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

32.2 If no, list exceptions:
.....
.....

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement .

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement .

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement .

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes () No (X)

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding:

.....

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

1.62

Total incurred claims

\$

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$

1.65

Total incurred claims

\$

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

1.72

Total incurred claims

\$

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$

1.75

Total incurred claims

\$

1.76

Number of covered lives

.....

2.

Health Test:

1

Current Year

2.1

Premium Numerator

\$ 52,953,117

2.2

Premium Denominator

\$ 52,953,117

2.3

Premium Ratio (2.1 / 2.2)

..... 1.000

2.4

Reserve Numerator

\$ 3,712,945

2.5

Reserve Denominator

\$ 3,712,945

2.6

Reserve Ratio (2.4 / 2.5)

..... 1.000

2

Prior Year

..... 54,714,400

..... 54,714,400

..... 1.000

..... 4,134,317

..... 4,134,317

..... 1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes () No (X)

3.2

If yes, give particulars:

.....

.....

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes (X) No ()

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes () No (X)

5.1

Does the reporting entity have stop-loss reinsurance?

Yes (X) No ()

5.2

If no, explain:

.....

.....

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 250,000

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

HOLD HARMLESS PROVISION IN PROVIDER CONTRACTS

STATE REQUIRED RESERVE AND INSOLVENCY CLAUSE IN REINSURANCE AGREEMENT

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes (X) No ()

7.2

If no, give details:

.....

.....

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

..... 1,319

8.2

Number of providers at end of reporting year

..... 1,362

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes () No (X)

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

.....

9.22

Business with rate guarantees over 36 months

.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold, or Bonus Arrangements in its provider contracts?

Yes (X) No ()

10.2

If yes:

10.21

Maximum amount payable bonuses

\$

10.22

Amount actually paid for year bonuses

\$

10.23

Maximum amount payable withholds

\$ 299,170

10.24

Amount actually paid for year withholds

\$ 299,170

11.1

Is the reporting entity organized as:

11.12

A Medical Group / Staff Model,

Yes () No (X)

11.13

An Individual Practice Association (IPA) , or

Yes (X) No ()

11.14

A Mixed Model (combination of above)?

Yes () No (X)

11.2

Is the reporting entity subject to Minimum Net Worth Requirements?

Yes (X) No ()

11.3

If yes, show the name of the state requiring such net worth.

..... Michigan

11.4

If yes, show the amount required.

\$ 5,052,944

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes () No (X)

11.6

If the amount is calculated, show the calculation

2012 RBC COMPANY ACTION LEVEL = \$5,052,944

.....

12.1 List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
COUNTIES OF: CLINTON, EATON, INGHAM
COUNTIES OF: IONIA, SHIAWASSEE
.....

13.1

Do you act as a custodian for health savings accounts?

Yes () No (X)

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$

13.3

Do you act as an administrator for health savings accounts?

Yes () No (X)

13.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$

GENERAL INTERROGATORIES - Line 12 (continued)

1	
Name of Service Area	
Name of Service Area	
CLINTON COUNTY	
EATON COUNTY	
INGHAM COUNTY	
IONIA COUNTY	
SHIAWASSEE COUNTY	
12 - Name of Service Area	

FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2012	2011	2010	2009	2008
BALANCE SHEET (Page 2 and Page 3)					
1. Total admitted assets (Page 2, Line 28)	13,458,463	14,006,844	12,880,595	14,307,790	11,362,794
2. Total liabilities (Page 3, Line 24)	7,200,915	7,452,987	6,304,152	7,675,699	5,496,576
3. Statutory surplus	5,052,944	4,203,178	4,295,990	4,912,642	3,989,132
4. Total capital and surplus (Page 3, Line 33)	6,257,548	6,553,857	6,576,443	6,632,091	5,866,218
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	52,953,117	54,714,400	54,827,945	53,599,455	43,721,214
6. Total medical and hospital expenses (Line 18)	47,508,540	47,065,527	47,086,173	46,364,720	39,644,280
7. Claims adjustment expenses (Line 20)	1,195,673	1,236,147	1,230,189	1,193,250	1,103,364
8. Total administrative expenses (Line 21)	4,915,714	7,376,007	7,125,224	6,077,613	3,156,728
9. Net underwriting gain (loss) (Line 24)	(666,810)	(963,281)	(613,641)	(36,128)	(183,158)
10. Net investment gain (loss) (Line 27)	149,149	488,775	359,660	98,019	167,040
11. Total other income (Line 28 plus Line 29)					
12. Net income or (loss) (Line 32)	(517,661)	(474,506)	(253,981)	61,891	16,118
CASH FLOW (Page 6)					
13. Net cash from operations (Line 11)	(1,871,044)	356,342	(974,815)	2,133,823	2,210,211
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	6,257,548	6,553,857	6,576,443	6,632,091	5,866,218
15. Authorized control level risk-based capital	2,526,472	2,101,589	2,147,995	2,456,321	1,994,566
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	17,981	18,147	18,789	18,607	16,534
17. Total members months (Column 6, Line 7)	215,907	220,559	222,690	213,327	197,318
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	89.7	86.0	85.9	85.6	85.6
20. Cost containment expenses	1.5	1.5	1.5	1.5	1.6
21. Other claims adjustment expenses	0.7	0.7	0.7	0.7	0.8
22. Total underwriting deductions (Line 23)	101.3	101.8	101.1	99.0	94.8
23. Total underwriting gain (loss) (Line 24)	(1.3)	(1.8)	(1.1)	0.1	0.4
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	2,839,728	3,061,938	2,016,844	3,366,047	4,930,263
25. Estimated liability of unpaid claims of prior year (Line 13, Column 6)	4,134,317	3,540,865	4,028,219	3,252,229	5,224,115
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
26. Affiliated bonds (Schedule D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Line 26 to Line 31					
33. Total investment in parent included in Line 26 to Line 31 above					

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3,
Accounting Changes and Correction of Errors?

Yes () No ()

If no, please explain:
.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1		Direct Business Only Year to Date							
	Active Status		2	3	4	5	6	7	8	9
			Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Column 2 Through Column 7	Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	L			53,054,663				53,054,663	
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	X X X								
59. Subtotal		X X X			53,054,663				53,054,663	
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Total (Direct Business)	(a)	1			53,054,663				53,054,663	

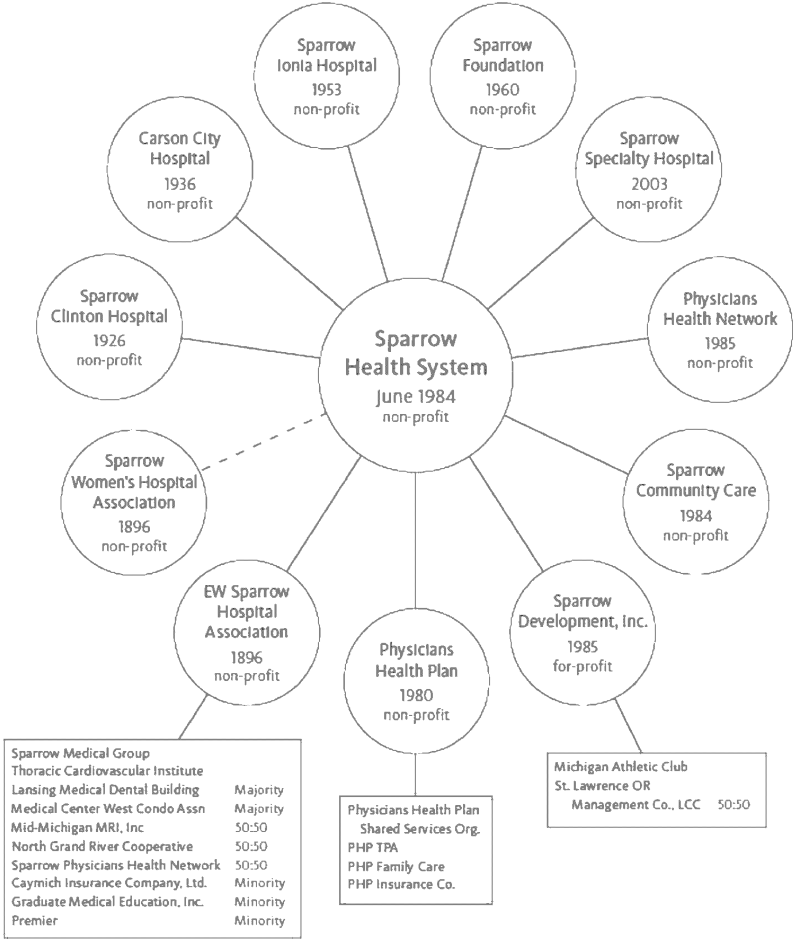
DETAILS OF WRITE-INS									
58001.									
58002.									
58003.									
58998.	Summary of remaining write-ins for Line 58 from overflow page								
58999.	Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of "L" responses except for Canada and Other Alien.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE PHP FAMILYCARE
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



Health

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Schedule BA - Part 3	E09		
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